Important Notice from the University of Rochester About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with University of Rochester and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare’s prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. The University of Rochester has determined that the prescription drug coverage offered by the University Health Care Plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage for all plan participants. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan – unless you are a domestic partner of a University employee or retiree. Because the federal government does not recognize a domestic partnership as marriage, a domestic partner is not considered to have coverage due to a spouse’s current employment. Due to federal government regulations, domestic partners of an employee or retiree that do not join a Medicare drug plan when first becoming eligible, may pay a higher premium (a penalty) to join a Medicare drug plan later.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide To Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current University of Rochester coverage may be affected. See below for more information about what happens to your current coverage if you join a Medicare drug plan. Please refer to the University Health Care Plan guide(s) for an explanation of prescription drug coverage under the University’s plans. Your current coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan. Benefits from the University Health Care Plan will be coordinated with benefits from Medicare Part D. **NOTE:** If you are enrolled in GoldAnywhere PPO, Preferred Gold Standard HMO-POS, Preferred Gold HMO-POS with University Major Medical, or USA Care PPO and elect to enroll in Medicare Part D, CMS (Center for Medicare and Medicaid Services) regulations may require your enrollment in GoldAnywhere PPO, Preferred Gold Standard HMO-POS, Preferred Gold HMO-POS with University Major Medical, or USA Care PPO Plan to be cancelled.
If you do decide to join a Medicare drug plan and drop your current University of Rochester coverage, be aware that you and your dependents may not be able to get this coverage back. If you drop your coverage with the University of Rochester and enroll in a Medicare prescription drug plan, you may rejoin the University of Rochester plan during the open enrollment period held each fall for coverage effective the following January 1st. In addition, you may also be eligible to make changes or enroll in the University of Rochester plan throughout the year, if you have a qualifying event. These events are detailed in the University Health Care Plan guide(s).

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with University of Rochester and don’t join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage…

Contact the Benefits Office for further information at (585) 275-2084. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through University of Rochester changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage…

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember:** Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: September 28, 2015
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